

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 59, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 4, between lines 4 and 5, begin a new paragraph and insert:
- 2 "**(e) For a member who is a state employee, the employer may**
- 3 **pay all or a part of the member contributions required for the**
- 4 **purchase of service credit under this section. In that event, the**
- 5 **actuary shall determine the amortization, and subsections (c)(1),**
- 6 **(c)(3), (c)(4), and (d) do not apply.**
- 7 **(f) For a member who is an employee of a participating political**
- 8 **subdivision, the employer may adopt an ordinance to pay all or a**
- 9 **part of the member contributions required for the purchase of**
- 10 **service credit under this section. In that event, the actuary shall**
- 11 **determine the amortization, and subsections (c)(1), (c)(3), (c)(4),**
- 12 **and (d) do not apply."**
- 13 Page 5, between lines 5 and 6, begin a new paragraph and insert:
- 14 "**SECTION 6. IC 5-10.3-3-8, AS AMENDED BY P.L.119-2000,**
- 15 **SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
- 16 **UPON PASSAGE]: Sec. 8. (a) The board may do any of the following:**
- 17 (1) Establish and amend rules and regulations:
- 18 (A) for the administration and regulation of the fund and the
- 19 board's affairs; and
- 20 (B) to effectuate the powers and purposes of the board;

- 1 without adopting a rule under IC 4-22-2.
- 2 (2) Make contracts and sue and be sued as the board of trustees of
- 3 the public employees' retirement fund of Indiana.
- 4 (3) Delegate duties to its employees.
- 5 (4) Enter into agreements with one (1) or more insurance
- 6 companies to provide life, hospitalization, surgical, medical,
- 7 **dental, vision, long term care**, or supplemental Medicare
- 8 insurance, utilizing individual or group insurance policies for
- 9 retired members of the fund, and, upon authorization of the
- 10 respective member, deduct premium payments for such policies
- 11 from the members' retirement benefits and remit the payments to
- 12 the insurance companies.
- 13 (5) Enter into agreements with one (1) or more insurance
- 14 companies to provide annuities for retired members of the fund,
- 15 and, upon a member's authorization, transfer the amount credited
- 16 to the member in the annuity savings account to the insurance
- 17 companies.
- 18 (6) Whenever the fund's membership is sufficiently large for
- 19 actuarial valuation, establish an employer's contribution rate for
- 20 all employers, including employers with special benefit provisions
- 21 for certain employees.
- 22 (7) Amortize prior service liability over a period of forty (40)
- 23 years or less.
- 24 (8) Recover payments made under false or fraudulent
- 25 representation.
- 26 (9) Exercise all powers necessary, convenient, or appropriate to
- 27 carry out and effectuate its public and corporate purposes and to
- 28 conduct its business.
- 29 (b) An agreement under subsection (a)(4) may be for a duration of
- 30 three (3) years.
- 31 (c) **This subsection does not apply to investments of the board.**
- 32 A contract under subsection (a)(2) may be for a term of not more than
- 33 five (5) years, with an ability to renew thereafter.
- 34 (d) The board's powers and the fund's powers specified in this
- 35 chapter shall be interpreted broadly to effectuate the purposes of this
- 36 chapter and may not be construed as a limitation of powers."
- 37 Page 6, between lines 36 and 37, begin a new paragraph and insert:
- 38 "SECTION 8. IC 5-13-5-5 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The fiscal body of any political subdivision may by ordinance or resolution authorize the proper legal officers of the political subdivision to transact the political subdivision's business with a financial institution **or a retirement fund administered by the public employees' retirement fund** through the use of electronic funds transfer.

(b) The ordinance or resolution must:

(1) specify the types of transactions that may be conducted by electronic funds transfer; and

(2) require the proper officers to maintain adequate documentation of the transactions so that they may be audited as provided by law.

SECTION 9. IC 20-5-3-1, AS AMENDED BY P.L.68-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The governing body of each school corporation shall organize by electing a president, a vice president, and a secretary, each of whom shall be a different member, within the first fifteen (15) days following the commencement date of the members' terms of office, as provided for under section 3 of this chapter.

(b) The governing body shall also at such time appoint a treasurer of the governing body and of the school corporation who is a person, other than the superintendent of schools, who is not a member of the governing body. The treasurer may, with the approval of the governing body, appoint a deputy who shall also be a person, other than the superintendent of schools, who is not a member of the governing body and who shall have the same powers and duties as the treasurer, or such lesser duties as the governing body by rule shall provide.

(c) The treasurer shall be the official custodian of all funds of the school corporation and shall be responsible for the proper safeguarding and accounting for all the funds and shall:

(1) issue a receipt for any money coming into the treasurer's hands;

(2) deposit such money in accordance with the laws governing the deposit of public funds; and

(3) issue all warrants in payment of expenses lawfully incurred on behalf of the school corporation, but, except as otherwise provided by law, shall issue the warrants only after proper allowance or approval by the governing body. No allowance or

approval shall be required by the governing body for amounts lawfully due in payment of indebtedness or payments due the state of Indiana, the United States Government, or their agencies and instrumentalities.

No verification, other than a properly itemized invoice, shall be required for any claim of one hundred dollars (\$100) or less, and any claim over this amount is sufficient as to form if the bill or statement therefor has printed or stamped on its face a verification of the bill or statement in language approved by the state board of accounts.

(d) Notwithstanding subsection (c), a treasurer may transact school corporation financial business with a financial institution **or a public retirement fund** through the use of electronic funds transfer. For purposes of this section, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The treasurer must provide adequate documentation to the governing body of the transfers made under this subsection. This subsection applies only to agreements for joint investment of money under IC 5-13-9 **and to payments to:**

(1) the Indiana state teachers' retirement fund; or

(2) the public employees' retirement fund;

from participating employers.

(e) A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this section, unless the act or omission constitutes gross negligence or an intentional disregard of the treasurer's duties.

(f) The governing body may establish the position of executive secretary to the governing body. The executive secretary:

(1) must be an employee of the school corporation;

(2) may not be a member of the governing body; and

(3) shall be appointed by the governing body upon the recommendation of the superintendent of the school corporation.

The governing body shall determine the duties of the executive secretary, which may include all or part of the duties of the secretary of the board."

Page 7, line 39, after "to" insert ":

- 1 **(1)".**
- 2 Page 7, line 40, after "(a)(10)" delete "." and insert "; **or**
- 3 **(2) investments of the board."**
- 4 Page 7, line 40, begin a new line blocked left beginning with "A
- 5 contract".
- 6 Page 19, line 10, delete "the difference between:".
- 7 Page 19, line 11, delete "(A) the amount contributed by the unit"
- 8 and insert "**determined in the same manner as**".
- 9 Page 19, line 12, delete "at the time the unit entered the fund; and"
- 10 and insert "**with respect to the additional prior service, if any,**
- 11 **available as a result of the lower retirement age."**
- 12 Page 19, run in lines 10 through 12.
- 13 Page 19, delete lines 13 through 16.
- 14 Page 19, run in lines 12 through 17.
- 15 Renumber all SECTIONS consecutively.
- (Reference is to SB 59 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

Harrison

Chairperson